



FIRST IORA MINISTERIAL BLUE ECONOMY CONFERENCE 2015

CONCEPT PAPER

A. Background

The Oceans cover 72% of the surface of our blue planet and constitute more than 95% of the biosphere. Oceans support all life by generating oxygen, absorbing carbon dioxide, recycling nutrients and regulating the global climate and temperature. Oceans provide a substantial portion of the global population with food and livelihoods and are the means of transport for 80% of global trade. The marine and coastal environment also constitutes a key resource for the important global tourism industry and related economic employment-generating activities.

The Blue Economy, the sustainable development of the ocean is a vast spatial concept and an equally broad-based initiative for economic development. This is the new frontier for IORA Member States, all of which are coastal or island/ocean states. The economic diversities of IORA today reflect varying knowledge, resources and capacities for the multi-faceted activities required for the sustainable economic development of the Indian Ocean, which is vital for the future of the rim and its hinterland.

IORA is an ideal platform to bring Member States together to cooperate and share their experiences and expertise in harnessing the tremendous potential of the Blue Economy and in establishing an ocean management and governance architecture for the sustainable development of an Indian Ocean blue economy.

The importance of oceans for sustainable development has been enshrined in the United Nations Conference on Environment and Development (UNCED) & Rio+20 Conference processes. The potential of the Indian Ocean to meet the developmental needs of IORA Member States is enormous and there is cross-cutting interest in initiating projects within this objective. However, current levels of management of marine and coastal ecosystems do not inspire confidence and it is imperative that mechanisms for the protection of the ocean's biodiversity are considered simultaneously with the processing of proposals by IORA Member States for developing the blue economy.

The focus on Small Island Developing States (SIDS) for whom marine and coastal resources are life-lines is in consonance with the priorities highlighted in the 3rd International Conference on Small Island Developing States held in Samoa in September 2014. The Blue Economy approach has the potential for sustainable, environment- friendly and socially inclusive development of SIDS.

In the ultimate analysis, the First IORA Conference on the Blue Economy should include a collaborative regional developmental initiative that would keep the interests of SIDS and Least Developed Countries (LDCs) for the sharing of benefits from marine resources for economic development with the more developed and emerging IORA Member States. In the Indian Ocean rim, the principle of regional partnership, reflecting sustainable inclusive growth and gender equality, is fundamental in the context of the sharp economic, social and cultural

disparities between IORA Member States, two-thirds of which are on the lower end of the economic scale. The mainstreaming of these concerns will need to be central to the framework of cooperation that flows from the First IORA Blue Economy Conference.

B. Major Sectors

The IORA Secretariat has identified the following six priority pillars in the blue economy as were recommended by the Council of Ministers' meeting (COMM) and revised by the Secretariat in consultation with Member States:

1. Fisheries and Aquaculture
2. Renewable Ocean Energy
3. Seaports and Shipping
4. Offshore Hydrocarbons and Seabed Minerals
5. Marine Biotechnology, Research and Development
6. Tourism

Ocean Knowledge Clusters and SIDS & LDC Programmes are cross cutting priorities.

C. Sectoral Roadmap for Blue Economy 2015

For the Blue Economy Conference 2015, it is proposed to focus on four priority sectors, namely:

- (i) Fisheries and Aquaculture;
- (ii) Renewable Ocean Energy;
- (iii) Seaports and Shipping;
- (iv) Offshore Hydrocarbons and Seabed Minerals.

Among the major sectors mentioned in section B above, the Renewable Ocean Energy Sector and Tourism Sector have already met at ministerial level. The First IORA Renewable Energy Ministerial Forum, hosted by the United Arab Emirates in collaboration with the International Renewable Energy Agency (IRENA) and the IORA Secretariat, took place on 21 January 2014 during the Abu Dhabi Sustainability Week and a follow-up Experts' Meeting is expected to be held in 2015. The First IORA Tourism Ministerial Forum was held in Seychelles on 20-21 November 2014 and the follow-up experts' meeting took place during INDABA in Durban, South Africa, on 9 May 2015. The first workshop entitled "Promoting Fisheries & Aquaculture and Maritime Safety & Security Cooperation in Indian Ocean region" was hosted by South Africa and took place in Durban, South Africa, on 4 and 5 May 2015. The Indian Ocean Region Workshop on "Exploration and Development of Seabed Minerals and Hydrocarbons: Current Capability and Emerging Science Needs" took place in Bali, Indonesia from 26 - 27 July 2015.

Note: The Tourism Sector, which is one of the eight priority sectors, has not been included among the four proposed focus areas above for the year 2015 based on the fact that the follow-up IORA Tourism Experts Group meeting was held in the margins of INDABA Tourism Expo in Durban, South Africa, from 9 to 11 May 2015.

1. Fisheries and Aquaculture

Proposal: The sustainability of fish supplies in the waters of the Indian Ocean is an issue which requires concerted attention from Member States. In order to ascertain the sustainability of fish stocks, IORA should target improvements across the various stages of, and in, fish management, as well as regulatory barriers, the problems in accessing funding, poor access to markets, and fragmented research and development. The evolutionary stages involved in seafood management evoke certain specific activities, for example: fish farming, aquaculture, seafood storage, seafood processing, its distribution network and marketing. Particular attention may be given to empowering the small/rural or artisanal fishermen who contribute consistently to the seafood supply chain, but do not have the capacity to optimize their fish catch.

2. Renewable Ocean Energy

Proposal: As natural resources are depleting and consumption of energy expected to rise sharply in the future, the strain on supply of fossil fuels will increase. Recently there has been a collapse in the price of crude oil, but the possibility of an eventual normalization (of higher prices) should not be disregarded and thus necessitates the attention of IORA Member States to consider alternative renewable sources of energy. The time is therefore appropriate to explore the potential of renewable energy derived from the ocean. This pillar of the Indian Ocean Blue Economy calls for further development of affordable technologies for sea wave power, tidal wave power, wind turbines, solar and submarine geothermal biomass for the generation of renewable ocean energy.

In line with the above efforts, it is proposed to bring the offshore oil and gas community together with the scientific community to undertake a gap analysis in relation to Oil and Gas exploration. In this regard the potential for the development of the offshore oil and gas industry should also be taken into consideration.

3. Seaport and Shipping

Proposal: Seaport activities include all procedures and services revolving around port services and management and shipping services for trade and commerce in the Indian Ocean. Over 80% of traded goods are transported by sea from warehousing, fuel storage, and management of container terminals to customs brokering, trans-shipment, free port logistics, bunkering, ship repairs, for which there are numerous port activities that offer opportunities for employment generation and development. It is here that the focus should be placed on the utilization of existing bilateral, regional, and multilateral instruments to promote trade in the region.

Efficient ports would be an incentive for shipping registration which could meet the challenges of maritime connectivity of island economies.

4. Offshore Hydrocarbons and Seabed Minerals

Proposal: Seabed exploration refers to all marine search and development activities of minerals, hydrocarbons and other sea resources. Identification of petroleum sources in the Indian Ocean is indicative that it has great potential to generate mineral and hydrocarbon resources. It is to be noted that individually Member States have limited data on the resources their exclusive economic zone (EEZ) possesses, apart from the lack of capacity for exploration.

This critical sector requires the experience, expertise and equipment of Member States and/or Dialogue Partner States through an IORA regional cooperation plan for development of seabed resources. It is therefore recommended that at local level, Member States consider the establishment of Research and Development Centers of Excellence to address this critical issue.

D. First IORA Ministerial Blue Economy Conference

In light of the growing global interest in the Blue Economy, the Australian Foreign Minister the Honorable Julie Bishop, Chair of IORA, introduced the Blue Economy theme at the IORA Ministerial Meeting, following which the IORA Secretariat circulated a blueprint for the Indian Ocean Blue Economy at the Senior Official Meeting at the 14th IORA Ministerial Meeting in Perth, Australia, on October 9, 2014. The offer by Mauritius to host the First IORA Conference on the Blue Economy was welcomed by the IORA Council of Ministers (COM) in Perth.

The Conference envisages participation as follows:

- (i) All 21 IORA Member States and 6 Dialogue Partners at Ministerial level;
- (ii) Senior Officials of IORA Member States and Dialogue Partners;
- (iii) Scientists, Academics and Researchers in Ocean Development;
- (iv) Multilateral Organizations and United Nations Agencies;
- (v) Business Entrepreneurs and Private Enterprises;

E. Preparatory Process for Blue Economy Conference

The subject of the development of an Indian Ocean Blue Economy does not have an integrated database and it is imperative that IORA Member States draw up a standardized matrix of scientific knowledge and economic statistics of each Member State pertaining to its coast, marine and maritime resources, capacities and capabilities. It is important to collect national data of each Member States in order to assess the requirements, priorities, strengths and weaknesses, if any. There should also be a special focus on the environmental aspects that examine the health of the ocean, its marine ecosystems and biodiversity, its seabed and the threats faced by the ocean and coastlines, especially with reference to small island states. A matrix of Member States' (and Dialogue Partners') capacities in terms of the Blue Economy would be compiled for each priority sectors as a means to identify their strengths, potential areas of further development, needs, and possible areas for collaboration. The expertise of the IORA Dialogue Partners may be accessed in compiling such a matrix.

Preliminary Workshops and Sectoral Coordinator Member States

Thematic workshop/s is required prior to the conference that would focus on the four priority sectors, namely:

- (i) Fisheries and Aquaculture
- (ii) Renewable Ocean Energy
- (iii) Seaports and Shipping
- (iv) Offshore Hydrocarbons and Seabed Minerals

The thematic workshops on the four priority sectors would be held prior to the BEC. Member States would be requested to chair core group discussions on each of the priority sectors and to consider voluntarily hosting one of the thematic workshop/s. Members States would be welcome to indicate their interest to co-lead/co-coordinate on any of the proposed sectors, or to become part of the Blue Economy Core Group.

Individual Member States have been approached to become lead-coordinators for the said thematic workshops: Indonesia (Fisheries & Aquaculture), United Arab Emirates (Renewable Ocean Energy), Singapore (Seaport & Shipping,) and Australia ((iv) Offshore Hydrocarbons and Seabed Minerals).

The outcomes and recommendations of the thematic workshops and related meetings prior to the BEC would be fed into the BEC Agenda, scheduled to take place in early September 2015 in Mauritius where a preliminary Blue Economy road map for the Indian Ocean Region could be approved.

The participants in the above four workshops should comprise experts from their respective sectors from all IORA Member States and Dialogue Partner states with the objective of formulating a comprehensive assessment of their capabilities, capacities, and requirements.

F. Conference Scheduling

The Blue Economy Conference is scheduled to take place from 2 to 3 September 2015 in Mauritius

No religious holidays are expected to clash with this scheduling.

The Blue Economy Conference is envisaged as a 2 day event:

Day 1 (2 September 2015): Morning Session for Senior Officials and afternoon Session to also include Representatives of International Agencies, Experts, Scientists, and R&D Institutions

Day 2 (3 September 2015): Ministerial Meeting

G. Conference Finance

The IORA Secretariat proposes that IORA Member States be requested to supplement the financing of the First IORA Blue Economy Conference, in view of the overarching nature of the conference subject, and the interest expressed by all IORA Member States in this important topic.

The IORA Special Fund could also be utilised to partially meet the expenditure for the proposed Conference.

H. Conference Coordination

The logistical, protocol and security arrangements to be coordinated by the Government of Mauritius.

The administrative and secretarial arrangements to be coordinated by the Ministry of Foreign Affairs of Mauritius and the IORA Secretariat.
